



June 5, 2006

**VIA CMF AND HAND DELIVERY**

The Honorable Joseph J. Farnan, Jr.  
United States District Court  
for the District of Delaware  
844 King Street  
Wilmington, DE 19801

**Re: • *Magten Asset Management Corp. and Law Debenture Trust Co. v. Northwestern Corp.*; C.A. No. 04-1494-JJF**  
**• *Magten Asset Management Corp. v. Paul Hastings Janofsky & Walker, LLP*; C.A. No. 04-1256-JJF**  
**• *Magten Asset Management Corp. v. Mike J. Hanson and Ernie J. Kindt*; C.A. No. 05-0499-JJF**

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Your Honor:

We write on behalf of Magten Asset Management Corporation and Law Debenture Trust Company of New York, the plaintiffs in the above-captioned actions, which have been consolidated for purposes of discovery (the "Consolidated Actions").

As Your Honor is aware, on February 2, 2006, NorthWestern filed a Motion for a Protective Order in connection with the Consolidated Actions, seeking to limit discovery to issues involving the Bank of New York, the indenture trustee for the QUIPS at the time of the transfer of the Montana utility assets from Clark Fork & Blackfoot LLC to NorthWestern (the "Transfer"). Although briefing on the Motion for Protective Order is complete, pursuant to Delaware Local Rule 30.2 discovery in the Consolidated Actions is currently stayed pending a decision on the motion.

On April 26, 2006, NorthWestern announced that it has signed a definitive agreement to be acquired by Babcock & Brown Infrastructure Ltd. ("BBI") for \$37 per share of common stock in an all cash transaction that values NorthWestern at approximately \$2.2 billion (the "Sale"). BBI is a utility infrastructure company based in Sydney, Australia that owns and manages utility and infrastructure companies and assets around the world. In light of the announcement of the Sale, plaintiffs believe it is essential that they be permitted to commence discovery immediately. Once the Sale is consummated, plaintiffs will face significant uncertainty regarding their ability to conduct document discovery and take the depositions of NorthWestern's management. It is unknown where NorthWestern's documents and records will reside and whether any of NorthWestern's management team who have knowledge of the Transfer – the core transaction



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surrounding plaintiff's claims – will even be employed by the surviving corporation. While we recognize that NorthWestern's press release touts that NorthWestern and BBI intend to maintain current management, neither party can provide any assurances that both the employees and documents of NorthWestern will remain intact.

It has been nearly 4 years since the Transfer occurred, and more than a year and a half since NorthWestern emerged from chapter 11 and now, with the Sale process moving forward, plaintiffs will be severely prejudiced if they are not given the opportunity to complete discovery in the Consolidated Actions prior to the consummation of the Sale.

In light of the foregoing, plaintiffs respectfully request that the Court grant plaintiffs relief from the stay of discovery under Delaware Local Rule 30.2, so as to allow the parties to recommence discovery immediately.

Should Your Honor have any questions, plaintiffs are available for an in-person conference.

Respectfully submitted,

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